

**CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Office of Economic Development

AGENDA DATE: Regular Agenda - Intro May 12, 2009; Public Hearing May 26, 2009

CONTACT PERSON/PHONE: Kathryn Dodson, PhD, Director 541-4670

DISTRICT(S) AFFECTED: [ALL]

SUBJECT:

An ordinance of the City Council of the City of El Paso, Texas ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code; Reaffirming Designation of a Liaison for Communication with interested parties; providing available tax incentives; and nominating the Toro Company located at 9455 Railroad Drive and 1440 Don Haskins Drive, El Paso, Texas to the Office of the Governor Economic Development and Tourism through the Economic Development Bank as Enterprise projects at both locations. [All Districts][Economic Development - Kathryn Dodson, Ph.D., Director 915 541 4670]

BACKGROUND/DISCUSSION:

The Enterprise Zone program has gone through numerous changes over the years and this ordinance updates the city's participation in the program.

Toro Company has asked for designations as enterprise projects at both of their locations and meets the criteria for tax relief and other incentives adopted by the City on the grounds that it is located at the qualified business sites, will retain jobs, and maintain economic activity and stability. In addition, this ordinance ordains our participation in the Texas Enterprise Zone program and signals our intent to utilize the enterprise zone areas within the City including its extraterritorial jurisdiction as reinvestment zones in accordance with Texas Tax Code Chapter 312.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes - November 9, 2004; ADP - Enterprise Zone designation June 19, 2007

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

No impact on the General Fund

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE; REAFFIRMING DESIGNATION OF A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES; PROVIDING AVAILABLE TAX INCENTIVES; AND NOMINATING THE TORO COMPANY LOCATED AT 9455 RAILROAD DRIVE AND 1440 DON HASKINS DRIVE, EL PASO, TEXAS TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK AS ENTERPRISE PROJECTS AT BOTH LOCATIONS.

WHEREAS, the City Council of the City of El Paso, Texas ("City") desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas; and

WHEREAS, the nominated projects or activities are located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act ("Act"), The Toro Company has applied to the City for designation as enterprise projects at two locations; and

WHEREAS, the City finds that The Toro Company meets the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at qualified business sites, may create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on May 26, 2009; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

SECTION 1. The City nominates The Toro Company for enterprise project status at its two locations in El Paso, Texas: 9455 Railroad Drive and 1440 Don Haskins Drive.

SECTION 2. The following local incentives, at the election of the governing body, are or will be made available to the nominated projects or activities of qualified businesses

on a case-by-case basis, taking into consideration the merit and eligibility of the nominated projects or activities of the qualified businesses:

- a) The City may abate taxes on the increase in value of real property improvements and eligible personal property in accordance with Chapter 312 and the City of El Paso's Tax Abatement Guidelines and Criteria;
- b) The City may provide enhanced municipal services to businesses, including:
 - 1) improved police and fire protection;
 - 2) institution of community crime prevention programs; or
 - 3) special public transportation routes or reduced fares;
- c) The City may give priority to businesses or projects for the receipt of:
 - 1) community development block grant money;
 - 2) industrial revenue bonds; and
 - 3) funds received under the federal Job Training Partnership Act (29 U.S.C. Section 1501, et seq.);
- d) The City may provide improvements in community facilities, including:
 - 1) capital improvements in water and sewer facilities;
 - 2) road repair; or
 - 3) creation or improvement of parks;
- e) The City may amend the zoning ordinances of the municipality to promote economic development;
- f) The City may establish permitting preferences for businesses;
- g) The City may establish simplified, accelerated or other special permit procedures for businesses;
- h) The City may waive development fees for projects;
- i) The City may create a fund for funding bonds or other programs or activities to promote economic development or revitalization;
- j) The City may provide grants in accordance with Chapter 380 of the Tax Code and the City's Incentive Policy;
- k) The City may provide regulatory relief to businesses, including:
 - 1) zoning changes or variances; or
 - 2) exemptions from unnecessary building code requirements, impact fees, or inspection fees;
- l) The City may, in providing services, give priority to local economic development, educational, job training or transportation programs;

- m) The City may sell real property owned by the municipality in accordance with Section 2303.513 of the Act;
- n) The City may waive or reduce the tax abatement application fee to qualified businesses;
- o) The City may adopt tax increment financing for projects;
- p) The City may provide the Freeport Exemption for qualified businesses;
- q) The City may show priority for local incentives to qualified businesses or projects located outside the enterprise zone, but within the City's jurisdiction, if at least thirty-five percent (35%) of the business or project new employees will be residents of an enterprise zone or economically disadvantaged individuals;
- r) The City may provide low-interest loans for small businesses;
- s) The City may provide low-income loans for housing rehabilitation or new construction;
- t) The City may transfer abandoned housing to individuals or community groups;
- u) The City may provide for job training and employment services;
- v) The City may provide literacy and employment skills programs;
- w) The City may provide vocational training; or
- x) The City may provide for retraining program.

SECTION 3. The enterprise zone areas within the City, including its extraterritorial jurisdiction ("ETJ"), are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 4. The City Council reaffirms the designation of its Director of Economic Development as the City's liaison to oversee enterprise projects it has nominated under the Act and to communicate and negotiate with the Office of the Government Economic Development and Tourism ("EDT"), the Economic Development Bank ("Bank"), enterprise projects, and other entities in an enterprise zone or affected by an enterprise zone. The City Council authorizes the City Manager or her designee to file applications requesting designation of The Toro Company as enterprise projects at both locations with the EDT through the Bank and to execute all documents necessary to process the applications, including, but not limited to the information required by Section 2303.4052 of the Act.

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SECTION 5. The City finds that The Toro Company meets the criteria for designation as enterprise projects at both locations under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) The Toro Company is a "qualified business" at both locations under Section 2303.402 of the Act since at each location it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals;
- b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- c) The designation of The Toro Company as enterprise projects at each location will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 6. The enterprise projects shall take effect on the date of designation of the enterprise projects by EDT and terminate five (5) years from their respective date of designation.

SECTION 7. El Paso areas automatically qualify for designation as an enterprise zone if the areas meet the requirements of Section 2303.101 of the Act. Subject to annual review, the Bank has designated El Paso County as an economically distressed county within the State of Texas and thus areas located within El Paso and the ETJ automatically qualify for designation as an enterprise zone pursuant to Chapter 2303 of the Act.

SECTION 8. The statements set forth in the recitals of this Ordinance are declared to be true and correct and are incorporated as part of this Ordinance.

SECTION 9. This Ordinance shall be in full force and effect upon the date of its passage by City Council.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2009.

CITY OF EL PASO

John F. Cook
Mayor

[Signatures Continue on Following Page]

ORDINANCE NO. _____

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Economic Development Department

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